

**STATE OF INDIANA**  
**INDIANA UTILITY REGULATORY COMMISSION**

FEB 0 1997  
INDIANA  
UTILITY  
REGULATORY  
COMMISSION

In the Matter of the Petition of )  
Indiana Bell Telephone Company, )  
Incorporated d/b/a Ameritech Indiana )  
Pursuant to I.C. 8-1-2-61 For a Three )  
Phase Process For Commission )  
Review of Various Submissions of )  
Ameritech Indiana to Show Compliance )  
with Section 271(c) of The Telecommunications )  
Act of 1996 )

Cause No. **41657**

**PETITION OF AMERITECH INDIANA**

Comes now Indiana Bell Telephone Company, Incorporated d/b/a Ameritech Indiana ("Ameritech Indiana") pursuant to I.C. 8-1-2-61 and Section 271 of the Telecommunications Act of 1996 ("TA 96")<sup>1</sup> and petitions the Indiana Utility Regulatory Commission ("Commission") to investigate and review the various submissions of Ameritech Indiana showing compliance with Section 271(c) of the Telecommunications Act of 1996 in order to allow the Commission to consult with the Federal Communications Commission ("FCC") on Ameritech Indiana's compliance. For its Petition, Ameritech Indiana states the following:

1. Ameritech Indiana is a corporation duly organized and existing under and by virtue of the laws of the State of Indiana with principal offices located at 240 North Meridian Street, Indianapolis, Indiana 46204. Ameritech Indiana is engaged in the provision of varied telecommunications services within its certificated territory in the State of Indiana.

2. Ameritech Indiana is currently a "public utility" within the meaning of I.C. 8-1-2-1 and a "telephone company" within the meaning of I.C. 8-1-2-88(a)(2) and I.C. 8-1-2.6-2(a)(3).

Ameritech Indiana is an "incumbent local exchange carrier" and a "telecommunications carrier" as those terms are defined in Sections 251(h) and 3(49) of TA96.

3. Ameritech Indiana considers this Petition to be governed by the Public Service Commission Act of 1913, as amended, including I.C. 8-1-2-58 and I.C. 8-1-2-61.

4. Pursuant to the docket entry dated October 9, 1996 in Cause No. 40641 entitled "Notice of Inquiry Concerning Indiana Bell Telephone Company, Inc. d/b/a Ameritech Indiana's Compliance with Section 271 of the Telecommunications Act of 1996", the Commission indicated its interest in Ameritech Indiana's plans to file a 271 application with the FCC in order to assist the Commission in discharging its duties to consult with the FCC under Section 271(d)(2) of TA 96.

5. Additionally, in its April 7, 1999 order in Cause No. 40509 entitled the "Petition of Ameritech Communications, Inc. for a Certificate of Territorial Authority to Provide (i) a Full Range of Telecommunications Services on both a Facilities and Resale Basis and (ii) Automated Operator Assisted Calling Within the State of Indiana, Pursuant to I.C. 8-1-2 et seq., and for the Commission to Decline, in part, Exercise of Jurisdiction over such Telecommunication Services Pursuant to I.C. 8-1-2.6, et seq.; and for Consent by the Commission for Boards of all Counties in Indiana to Grant Petitioner such Licenses, Permits or Franchises as may be Necessary for Petition to use County Roads, Highways or Other Property for Utility Purposes" the Commission stated that "[n]inety days prior to Ameritech Indiana's filing for Section 271 relief from the FCC, it should provide this Commission with its evidence that it has complied with the 14 point checklist found in Section 271(c)(2). Said filing should be given a new cause number. The Commission notes that there is pending Cause No. 40641 that was initiated to address the review of any Section 271 filing that Ameritech Indiana submits. Nothing in this Order should be

viewed as obviating the need to comply with whatever requirements are contained in any Order issued in Cause No. 40641."

6. Accordingly, Ameritech Indiana is filing this Petition to initiate the Commission review of the 271 application Ameritech Indiana intends to file with the FCC at the end of 2000 or the beginning of 2001. Ameritech Indiana envisions this proceeding to proceed in three (3) phases as described in Exhibit A, "Notice of Intent to File a Section 271 Application at the Federal Communications Commission" attached hereto and incorporated herein. The first phase would involve a regional independent third party test of Operating Support Systems ("OSS"). The regional approach is intended to conserve resources since the entire Ameritech region (Indiana, Illinois, Ohio, Wisconsin and Michigan) uses the same OSS. The second phase would include a review of the 14-point Checklist Compliance, including the "draft application", generic 271 interconnection agreement and performance assurance plan. The third phase would include a review of the final OSS test report and actual performance results.

7. Ameritech Indiana respectfully requests that the Commission conduct its investigation into Ameritech Indiana's submission of evidence in a pre-application draft of full compliance with Section 271(c). Other parties would have 20 days to review and comment on Ameritech's submission and Ameritech would have 20 days thereafter to reply. Additionally, technical conferences could be conducted as necessary. This allows the three phases to run concurrently. Ameritech Indiana also respectfully requests that the Commission engage in the regional OSS testing and accept the report of the independent third party tester into the record in this cause.

8. Ameritech Indiana intends to continue participating in IURC Cause No. 41324 and intends that the OSS performance measurements set forth in the Interim Stipulation and Joint

Partial Settlement Agreement filed December 22, 1999 in that case would be applicable to the OSS test and compliance review in this case.

9. Finally, Ameritech Indiana respectfully requests that the Commission close Cause No. 40641 and allow this cause to go forward to collect information allowing the Commission to consult with the FCC under Section 271(d)(2). Ameritech Indiana proposes the three phase approach to its 271 filing to allow sufficient time for the OSS test to be conducted and the pre-filing application to be reviewed and to give the Commission more than the 45 or 90 days contemplated in Cause Nos. 40641 and 40509 to review the OSS test results and checklist compliance information to be provided to the Commission.

10. Pursuant to 170 IAC 1-1-16(b), Ameritech Indiana requests that a date be fixed for a prehearing conference in this proceeding.

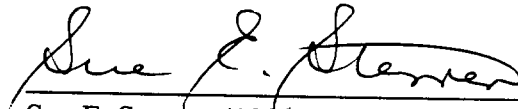
11. The name and address of Ameritech Indiana's duly authorized representative, to whom all correspondence and communications concerning this Petition should be sent is as follows:

Sue E. Stemen  
Ameritech Indiana  
240 N. Meridian Street, Room 1826  
Indianapolis, Indiana 46204  
(317) 265-3676 telephone  
(317) 265-3343 facsimile

WHEREFORE, Ameritech Indiana respectfully requests that the Commission use this cause to investigate Ameritech Indiana's compliance with Section 271 of TA 96; hold a prehearing conference to adopt the three phase approach suggested by Ameritech Indiana, including the regional independent third party OSS test and establish a procedural schedule in this proceeding; conclude its investigation in a timely manner allowing Ameritech Indiana to file

its 271 application with the FCC in the timeframe contemplated in Exhibit A; and for all other relief proper in the premises.

Respectfully submitted,

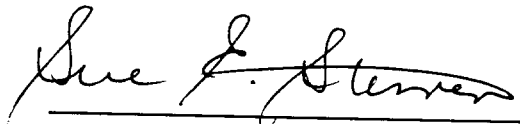
A handwritten signature in cursive script, reading "Sue E. Stemen", written over a horizontal line.

Sue E. Stemen (1988-49)  
Counsel for AMERITECH INDIANA  
240 North Meridian Street, Room 1826  
Indianapolis, IN 46204  
Telephone: (317) 265-3676  
Facsimile: (317) 265-3343

## CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the "*Petition of Ameritech Indiana*" was served upon the following this 2<sup>nd</sup> day of February 2000:

Karol Krohn  
Office of Utility Consumer Counselor  
Indiana Government Center North  
100 North Senate, Room N501  
Indianapolis, IN 46204

  
Sue E. Stemen

**NOTICE OF INTENT TO FILE A §271 APPLICATION  
AT THE FEDERAL COMMUNICATIONS COMMISSION**

**EXECUTIVE SUMMARY**

Later this year or in early 2001, Ameritech Corporation and its five operating company subsidiaries, Ameritech Illinois, Ameritech Indiana, Ameritech Michigan, Ameritech Ohio and Ameritech Wisconsin – collectively, “Ameritech” – plan to seek authority to provide in-region, interLATA services in the states of Illinois, Indiana, Michigan, Ohio and Wisconsin, pursuant to §271 of the Communications Act of 1934, as amended by the Telecommunications Act of 1996, pub. L. 104, Section 151(a), 110 STAT. 89 (the “1996 Act”).

In preparing for this filing at the Federal Communications Commission (“FCC”), Ameritech is guided by its past §271 proceedings and by subsequent state Commission proceedings involving proposed §271 applications in all regions of the country. These proceedings have been completed or are in the process of evaluation in such states as Texas, California, New York, Pennsylvania, Georgia, Florida, Arizona and a twelve-state regional review of US WEST. Most recently, a definitive roadmap has been provided by the FCC in connection with its approval of Bell Atlantic’s New York §271 application. See Memorandum Opinion and Order, Application by Bell Atlantic New York for authorization under §271 of the Communications Act to provide in-region interLATA services in the state of New York, CC Docket No. 99-295, FCC 99-404 (rel. December 22, 1999) (“New York Order”). Collectively, these proceedings provide a clear path for Ameritech’s proposed §271 Application.

In connection with Ameritech’s proposed §271 filings at the FCC, each of the state Commissions within the Ameritech region will be requested to comment to the FCC on the adequacy of Ameritech’s compliance with the checklist and the nature of the local markets within its state. (See §271(d)(2)(B), “Consultation with State Commissions”) This filing proposes an overall framework to facilitate state Commission review in preparation for such a consultation. This filing initially summarizes recent FCC guidance regarding the appropriate scope and nature of a state Commission’s pre-§271 Application evaluation. Based on this specific direction from the FCC, Ameritech proposes a three phase approach to facilitate this Commission’s review in preparation for such a consultation.

First, Ameritech proposes that this Commission join the other state Commissions in conducting a regional test by an independent third party consultant of Ameritech's Operations Support Systems ("OSS") and its performance results. As detailed in this filing, Ameritech recommends that the regional test be modeled on the Telcordia Texas Master Plan and KPMG Florida Master Test Plan (a recent refinement of the New York Plan). With slight modifications to reflect the competitive market conditions in the Ameritech states, use of these recent experiences can substantially expedite the progress this Commission can make in evaluating Ameritech's OSS and performance reporting.

This independent review will provide for end-to-end testing of the CLEC experience from pre-ordering through billing to reflect the real world environment in which CLECs and Ameritech operate. This independent, expert evaluation, under the Commission's supervision, will enable it to determine whether Ameritech's OSS functionality is adequate to enable and support the entry of CLECs into the local markets of this State. Performance testing will be verified and conducted in order to provide this Commission with unbiased data on which to evaluate OSS performance and compliance with relevant performance standards.

Moreover, by working cooperatively with other Commissions in the Ameritech region, this Commission can take full advantage of the resources and expertise of all participating Commissions to conduct this independent test in an efficient and timely manner. This Commission will have, as a result, a complete basis on which to provide informed, substantive comments to the FCC when Ameritech applies for long distance authority.

Second, Ameritech recommends an evaluation of the individual checklist items and the local market conditions. This evaluation will include review of evidence on product, price and processes for each checklist item. Comments from interested parties will ensure a thorough evaluation of Ameritech's checklist compliance.

Third, the final report of the independent third party and actual performance results would be reviewed. Comments from interested parties on the test results and Ameritech's performance can complete the record upon which the Commission can rely in making its comments to the FCC when Ameritech files its §271 application.

In addition to comments from interested parties, as necessary this Commission can use technical conferences, in which the Commission staff, Ameritech and CLECs jointly meet to discuss and resolve potentially difficult issues, to most



efficiently address issues in each phase. In addition, the Commission can use its authority under I.C. 8-1-2-58 and I.C. 8-1-2-61 to conduct any required investigations. These investigatory powers would also permit this Commission to supervise the third party test on an interactive basis, with input from all interested parties. Only if these processes and investigations are unable to resolve issues to the satisfaction of the Commission would it become necessary to hold formal hearings.

In short, Ameritech seeks an open and efficient process. Ameritech believes that an open exchange of questions and issues between all parties will allow for the best possible outcome in the shortest possible time.

**I. THE LOCAL MARKETS IN THE AMERITECH REGION ARE IRREVERSIBLY OPEN TO COMPETITION AND AMERITECH'S OSS ARE PRIMED FOR EVALUATION.**

**A. Local Market Entry.**

It takes only a few basic facts to show that the local markets in the Ameritech region are irreversibly open, and not just as a theoretical matter. Competitive Local Exchange Carriers ("CLECs") have demonstrated their ability to compete with Ameritech. Competing carriers operate across all five states; indeed, they have won customers in 95% of Ameritech's wire centers and have deployed at least 138 switches in the Ameritech Region. By the end of 1999, facilities-based carriers have received from Ameritech approximately 600,000 interconnection trunks, 246,000 unbundled loops, 2,600,911 trunks, 2,000 DA/OS trunks, and 29 million numbers assigned, of which approximately 550,000 have been ported via local number portability.

But these numbers are just an incomplete snapshot. With the 850 collocation sites in operation at year end 1998, more than 13.2 million (65%) Ameritech customers could be served by CLECs. By year end 1999, more than twice as many -- 1,785 -- collocation sites were in operation, substantially increasing the number of customers that CLECs can serve. Beyond this facilities-based service, at least 100 carriers resell Ameritech's local service. Ameritech has resold approximately 700,000 access lines. In short, CLECs are dramatically increasing both their access to Ameritech's customers and the number of customers they serve.

However, the true nature and extent of competition is not portrayed merely by Ameritech providing information to the Commission about the number of

collocation sites, interconnection trunks, unbundled loops, resold lines, or similar information of services that it is providing to its competitors. The telecommunications service market includes providers who are using their own facilities to provide basic local exchange and exchange access service. This data is in the possession of that provider, not Ameritech. Thus, only through the auspices of the Commission will this information be provided.

The Commission, therefore, can more completely assess the extent of local entry by directly seeking information from the many telecommunications providers who do business in the state besides Ameritech. Examples of such information include, but are not limited to, the following: (1) whether entities that are licensed to provide facilities-based local exchange service and/or resold local exchange service are or will be providing switched and/or special access services; (2) whether a provider is providing basic local exchange service only to business customers or also to residential subscribers; and (3) the number of access lines served by CLECs, the number of CLEC-served loops and the number of CLEC customers. Since much of this information will undoubtedly be claimed by the provider to be proprietary, it is not feasible for Ameritech to seek it from its competitors, or to disclose it to the Commission without the other provider's consent, even if the material is in Ameritech's possession. For this reason, Ameritech respectfully requests that the Commission seek such information directly from these carriers.

Requiring the submission of this information will also respond to a specific recommendation of the FCC. In its August 19, 1997, Order on Ameritech Michigan's previous application for in-region §271 authority, the FCC stated in pertinent part:

In order to fulfill this role [of presenting their views regarding the opening of the BOC's local networks to competition] as effectively as possible, state commissions must conduct proceedings to develop a comprehensive factual record concerning BOC compliance with the requirements of Section 271 and the status of local competition ... (Ameritech Michigan Order, at ¶¶ 30, 34, emphasis added)

Consequently, by requiring all local providers -- Ameritech and CLECs -- to submit such information, the Commission will be acting in accordance with the FCC's request for complete review of the status of local entry.

#### **B. Operational Support Systems.**

In addition to a review of local competition, the FCC would benefit from the Commission's review of checklist compliance. Of particular interest are the

systems, databases and personnel (collectively referred to as "OSS") that Ameritech uses to provide its interconnection, network elements, and resold services. Since 1996, Ameritech has provided CLECs nondiscriminatory application-to-application electronic access to required OSS functions, including pre-ordering, ordering, provisioning, maintenance and repair, and billing on a regional basis.<sup>1</sup> Ameritech also provides technical assistance necessary for requesting carriers to connect with its systems, and a change management process that provides information necessary for requesting carriers to track Ameritech's system changes. The specific OSS functionality in use across the Ameritech region is summarized below.

#### Pre-ordering.

Ameritech offers requesting carriers an industry standard application-to-application pre-ordering interface that enables carriers to integrate pre-ordering and ordering functions. Through this and other pre-ordering interfaces, Ameritech makes available to requesting carriers all the functionality that it provides to itself. The required pre-ordering functions include: (1) customer service record information; (2) address validation; (3) telephone number information; (4) due date information; and (5) service and feature information. (New York Order at ¶ 130 and n. 371) In addition, Ameritech provides directory listings as part of its customer service information function and a listing of current primary interexchange carrier (PIC) and local primary interexchange carrier (LPIC) codes using NPA/NXX information.

Approximately 44 carriers are using the EDI interface to obtain pre-ordering information. In addition, 80 carriers are using TCNet. As of December 31, 1999, these systems provided 2.3 million pre-ordering transactions over the EDI interface, and 350,000 pre-ordering transactions over TCNet during 1999.

#### Ordering and Provisioning.

Ameritech's existing EDI application-to-application interface also provides competing carriers with a full range of ordering and provisioning functionality,

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<sup>1</sup> The FCC requires industry standard application-to-application interfaces for pre-ordering, ordering and provisioning. However, in addition, Ameritech provides some of these functions via its web-based graphical user interface ("GUI") known as TCNet. Although the FCC encourages the use of a GUI, it is not required nor is it sufficient for these functions. In fact, the FCC has noted that an RBOC does not have an affirmative obligation to provide multiple electronic interfaces to competing carriers if it is able to demonstrate that its application-to-application interface is economical and efficient to use by both large and small carriers. See Ameritech Michigan Order, at ¶ 220.

for both unbundled network elements ("UNEs") and resold services. In particular, Ameritech provides CLECs and its retail operations with equivalent access on available service installation dates. (New York Order, at ¶ 193, 196-197) Ameritech's EDI interface also provides carriers with the required order status information, including order confirmation and order reject notices, access to jeopardy information (to the extent it is available in a nondiscriminatory manner), and access to order completion notices. (New York Order, at ¶¶ 158-159, 184-187)

Approximately 40 carriers are using Ameritech's EDI interface for ordering and provisioning purposes. As of December 31, 1999, these systems provided for more than 600,000 orders during 1999. An additional 660,000 orders were handled manually via facsimile submissions.

#### Maintenance and Repair.

Ameritech offers maintenance and repair interfaces and systems that enable a CLEC to access the same functions that are available to Ameritech's retail representatives. The required maintenance and repair functions permit a CLEC to: (1) create a trouble ticket; (2) determine the status of the trouble ticket; (3) modify the trouble ticket; (4) request cancellation of a trouble ticket; (5) request a trouble history and (6) conduct a mechanized loop test (for resale and the UNE platform but not for unbundled loops). (New York Order, at ¶ 213) Ameritech offers this functionality through application-to-application interfaces known as electronic bonding trouble administration (EBTA). Ameritech also offers EBTA II GUI. It allows a customer to create a trouble report, view status history, receive proactive status, and clear and close trouble reports. It provides similar functionality to the application-to-application interface. During the second quarter of 2000, Ameritech's application-to-application interface and its GUI will be updated to include mechanized loop testing, which will allow a CLEC to test a loop while the customer reporting trouble is still on the call.

As of December 31, 1999, carriers using the EBTA application-to-application interface and about 10 carriers using the EBTA II GUI together undertook more than 54,000 maintenance and repair transactions in 1999.

#### Billing.

Ameritech provides nondiscriminatory access to its billing functions by providing competing carriers with billing information through daily usage files and carrier bills. (New York Order, at ¶ 226) Specifically, Ameritech provides CLECs with billing data related to their purchase of unbundled network elements using its carrier access billing system (CABS), which produces a bill

data tape file format, and follows national standards for bill media, software version control, user documentation and user notification. Ameritech also provides CLECs with usage messages that may be used in the billing of their end users. The CLECs receive usage files containing exchange message interface (EMI) records that provide the billing details for individual messages. Ameritech follows the industry accepted ordering and billing forum (OBF) EMI format for message exchange. Finally, Ameritech provides CLECs with resale billing information under Telcordia (Bellcore) standard AEBS450.

More than 100 carriers receive electronic bill information from Ameritech. As of December 31, 1999, Ameritech provided about 500 bill data tapes and more than 1,000,000 EMI messages to more than 100 different UNE customers and resellers in 1999.

### **C. Change Management.**

Because the OSS is a dynamic system, regularly being updated to reflect new technologies, new requirements of CLECs, and new regulatory obligations, change management processes are important OSS-related business processes. (See New York Order at ¶¶101-125). Ameritech has in place a change management process which contains the methods and procedures that it employs to communicate with CLECs regarding OSS system performance and system updates and implementation.

In addition, as a result of SBC's merger with Ameritech, SBC/Ameritech is negotiating the terms of a comprehensive Interface Change Management Process ("CMP") that would apply to all 13 states where SBC's incumbent LEC's operate. The CMP, which is based upon the Texas PUC proceedings (Project No. 20400), sets out specific procedures and time frames for planned system changes and enhancements, responses to CLEC requests for clarification, release requirements and testing schedules. Other CMP provisions address CLEC's recommendations for interface changes, emergency situations, training, and joint testing. In addition, the CMP establishes voting procedures for dispute resolution.

In short, Ameritech's current OSS systems are ready to be evaluated. Ameritech believes these systems are more than adequate to meet its obligations under the Act and to meet the requirements of §271. Despite the extensive commercial experience and use of its OSS, Ameritech recognizes how contentious the issue has become. To facilitate the Commissions' evaluation, Ameritech supports an evaluation by an independent third party under the Commissions' auspices, as proposed below.

## II. THE FCC'S FRAMEWORK FOR ANALYZING COMPLIANCE WITH §271.

To ensure that the State Commissions' §271 consultation, including any third party test, responds to the FCC's expectations, it is useful to initially summarize the FCC's Competitive Checklist framework. In its New York Order, the FCC reaffirmed the key aspects for analyzing compliance with the statutory requirements of §271. First, the FCC reaffirmed the legal standards for determining whether a Regional Bell Operating Company is meeting the statutory nondiscrimination requirements. Second, the FCC discussed the evidentiary requirements of an RBOC's §271 application and, in particular, the types of showings the FCC will find probative in deciding whether an RBOC has met the statutory standards. Third, the FCC reaffirmed that a comprehensive State Commission proceeding can be a vital component to the success of a §271 application.

### A. Legal Standard.

In order to comply with the requirements of §271's competitive checklist, an RBOC must demonstrate that it has fully implemented the competitive checklist in §271(c)(2)(B). In particular, the RBOC must demonstrate that it is offering interconnection and access to network elements on a nondiscriminatory basis. Previous Commission orders addressing §271 applications have elaborated on this statutory standard.

First, for those functions the RBOC provides to competing carriers that are analogous to the functions an RBOC provides to itself in connection with its own retail service offerings, the RBOC must provide access to competing carriers in "substantially the same time and manner" as it provides to itself. (New York Order, at ¶ 44) Thus, where a retail analogue exists, an RBOC must provide access that is equal to (*i.e.*, substantially the same as) the level of access that the RBOC provides itself, its customers, or its affiliates, in terms of quality, accuracy, and timeliness.

Second, for those functions that have no retail analogue, the RBOC must demonstrate that the access it provides to competing carriers would offer an efficient carrier a "meaningful opportunity to compete." (New York Order, at ¶ 44) The FCC again acknowledged that there may be situations in which an RBOC contends that, although equivalent access has not been achieved for an analogous function, the access that it provides is still nondiscriminatory within the meaning of the statute.

Whether the statutory standard is met is ultimately a judgment the FCC must make based on its expertise in promoting competition in local markets and in telecommunications regulation generally. The FCC has not established specific objective criteria for what constitutes “substantially the same time and manner” or a “meaningful opportunity to compete.” Rather, the FCC looks at each application on a case-by-case basis and considers the totality of the circumstances, including the origin and quality of the information provided, to determine whether the nondiscrimination requirements of the Act are met. (New York Order, at ¶ 46) Whether this legal standard is met can only be decided based on an analysis of specific facts and circumstances.

#### **B. Evidentiary Case.**

To make a *prima facie* case that the RBOC is meeting the requirements of a particular checklist item under §271(c)(1)(A), the RBOC must demonstrate that it is providing access or interconnection pursuant to the terms of that checklist item. In particular, an RBOC must demonstrate that it has a concrete and specific legal obligation to furnish the item upon request pursuant to state-approved interconnection agreements that set forth prices and other terms and conditions for each checklist item, and that it is currently furnishing, or is ready to furnish, the checklist item in quantities that competitors may reasonably demand and at an acceptable level of quality.

In past Orders, and in the New York Order, the FCC has encouraged RBOCs to provide performance data in their §271 applications to demonstrate that they are providing nondiscriminatory access to unbundled network elements to requesting carriers. The FCC has concluded that the most probative evidence that an RBOC is providing nondiscriminatory access is evidence of actual commercial usage. Performance measurements are an especially effective means of providing evidence of the quality and timeliness of the access provided by an RBOC to requesting carriers. (New York Order, at ¶ 52-60)

#### **C. Pre-filing State Commission Proceedings.**

As the FCC noted in its New York Order, a rigorous state proceeding can contribute to the success of a §271 application. (New York Order, at ¶¶ 8-12) While the FCC provides applicants significant flexibility in demonstrating compliance with §271, the FCC will rely heavily on an effective state evaluation in reviewing an application. There are a number of elements that are important to the success of a state proceeding designed to evaluate whether an RBOC has opened its local markets to competition consistent with the terms of the 1996 Act. According to the FCC, the state Commission proceedings should include the following components:

- Comprehensive third-party testing of the RBOC's systems, processes and procedures;
- Comprehensive and clearly defined performance measures and standards;
- Performance assurance plans that create a strong financial incentive for post-entry compliance with the §271 Checklist;
- Full and open participation by all interested parties in technical conferences and workshops during which state Commission staff, RBOC and CLECs can jointly discuss and resolve any checklist implementation issues that may arise.

Based on these recently articulated expectations from the FCC, the balance of this filing proposes a framework to address each of these elements. As discussed below, Ameritech believes the most efficient and effective way to address the OSS performance measurement and performance assurance components can be achieved using a regional approach. Compliance verification and collaboration with respect to checklist items could also be done on a regional approach, or it may be more effectively done on a state-specific approach. Further, as described in this filing, some of these inquiries can take place concurrently while others need to be addressed sequentially.

### **III. REGION-WIDE INDEPENDENT THIRD-PARTY TESTING**

Notwithstanding the significant commercial use of Ameritech's OSS, to facilitate this Commission's evaluation of this complex area, Ameritech proposes that this Commission participate in a regional independent third party test of its OSS, the documentation and support provided to competitive local exchange carriers (CLECs) to access and use these systems, and the compliance of these systems with prescribed performance standards.

The test should evaluate Ameritech's relationship with CLECs under real world conditions. The test would evaluate the full range of OSS, including pre-ordering, ordering, provisioning, maintenance and repair, and billing. Particular attention would be paid to OSS related to the pre-ordering, ordering, and provisioning of xDSL loops in a timely and efficient manner so as to permit CLECs to offer competitive xDSL services.

The state commissions in the Ameritech region possess valuable expertise and resources that collectively can be focused on Ameritech's OSS in a manner that



will produce a far more comprehensive and thorough evaluation than any individual State Commission could hope to accomplish on its own.<sup>2</sup> Furthermore, because Ameritech's OSS is a single system, with common systems and procedures used in all five states, a regional test is the most efficient means of evaluating this system.

The Telcordia Master Test Plan used in Texas and the KPMG Master Test Plan used in New York (and Florida) provide a solid model. Indeed, there is no need to reinvent the wheel. Selection of either KPMG or Telcordia, and use of their past Master Test Plans as a model, would substantially streamline the process by eliminating any delay in initiating an OSS test that would otherwise be caused by developing and issuing an RFP and awaiting responses. (For the information of the Commission, a copy of the KPMG Florida Master Test Plan is attached to this filing as Attachment 1. The Florida Plan may also be found on the Internet at <http://w2.scri.net/psc/industry/telecomm/oss/oss.html>. Also attached as Attachment 2 is a copy of the Telcordia Texas Master Test Plan. The Texas Plan may also be found on the Internet at <http://www.puc.state.tx.us/telecomm/projects/20000>.)

Other state plans should not be uncritically imported into the Ameritech region without some minor modifications to reflect differences in volumes of transactions already being handled in the Ameritech region and to reflect performance measures already in place. Despite the probable need to make such minor changes, the regional Ameritech Test Plan adopted by the Commissions should reflect the following principles -- principles inherent in the test plans adopted in other states.

**A. The OSS Test Should Be Comprehensive.**

The overall objective of a regional independent third party evaluation should be to provide a comprehensive test of Ameritech's OSS systems, interfaces, and processes. The test Ameritech is proposing will be more than adequate to permit the State commissions to determine whether Ameritech's provision of access to OSS functionality enables and supports CLEC entry into the local market for all services, including both local exchange services and advanced data services, such as xDSL.

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<sup>2</sup> State-by-state testing could tax the resources of any individual Commission. For example, we understand that the New York Commission assigned two attorneys and eleven staff members full time to their testing process. The Texas Commission used even more Staff resources.

The test that Ameritech is proposing is of adequate breadth and depth to evaluate the entire CLEC/Ameritech relationship. It includes an evaluation of the ability of a CLEC to establish a business relationship, perform daily operations, and maintain the business relationship. Each of the service delivery mechanisms – resale, unbundled network elements (UNE) and combinations of UNEs, including the UNE Platform (UNE-P) – would be evaluated. OSS functionality, to the extent necessary, and system capacity would be tested.

Of course, where commercial volumes of CLEC orders are being processed, functionality testing is not required. It can be assumed that, if commercial volumes are already being processed, the system is functional. While functionality testing is not required for these processes, capacity testing by the third party may be appropriate. Therefore, Ameritech recommends evaluation based on “carrier-to-carrier” transactions where commercial use exists, and “pseudo-competing carrier” transactions where no commercial volumes are present. In addition, some of the subjective process reviews undertaken in some of the other Test Plans may prove to be unnecessary, given the extensive objective performance measurements Ameritech is already implementing, as discussed below.

An assessment of OSS compliance with performance measures is also included as part of the test proposal. In addition, the test should include operational tests to evaluate the results of Ameritech day-to-day operational management and change management processes to determine if they functioned in accordance with Ameritech documentation and expectations. Documentation should be evaluated for usefulness, correctness, and completeness.

Based on these principles, and past experience with Telcordia and KPMG Master Test Plans, Ameritech recommends a comprehensive third-party test that includes the following three areas of inquiry:

- Performance measurement evaluation, which would include a review of rules, methods and procedures, statistical methodology, measurement implementation compliance and data integrity and timeliness.
- OSS-related process and support procedures review, which would include CLEC OSS training and interface development, help desk support for OSS interfaces, change management and capacity management.
- Functionality and capacity testing, which would include end-to-end functionality testing on certain interfaces and ordering scenarios and capacity testing for pre-ordering, ordering and maintenance and repair functions, at both normal and peak levels.

**B. The Test Should be Military Style.**

A military style testing philosophy should be adopted. This requires a “test until you pass” approach. This means that if a problem is encountered during a test, the third party tester will inform the Commissions and Ameritech of the problem and provide an assessment of required remedial actions. Ameritech will either clarify the issue or provide a remedy. If the remedy requires a change to a process, system, or document, the third party tester will retest as appropriate. If the problem is not resolved, the cycle will be repeated until a solution is reached, no further action is warranted, or the Commissions specifically exempt the problem from further action.

**C. The Test Should be Independent and Blind.**

To the greatest extent possible, the test should be both independent and blind. The independent tester should not have a reporting relationship to Ameritech. Although it is virtually impossible for the transactions to be truly blind, the tester should institute certain procedures to ensure that it will not receive preferential treatment. For example, all documents provided to the tester should be generally available to all competing carriers.

**D. The Test Should be Based on Comprehensive Performance Measurements.**

A key component of any OSS test is an evaluation of compliance with the systems, process and other operational elements associated with performance measures. This involves the testing of data collection, data integrity, and calculation of measurements. Both live industry data and data from any test transactions, where appropriate, should be used to evaluate compliance with performance measures. Both CLEC and retail data will be included, as appropriate, to measure parity of treatment of competitors and Ameritech’s retail operations. Wherever possible, performance measurements compare service on behalf of CLECs directly to the level of service in Ameritech’s retail operations. Where no comparable retail function exists, the level of service provided to CLECs is tested against benchmarks.

Performance Measurements.

In the New York Order, the FCC encouraged state Commissions to evaluate performance measures and standards, and indicated it would rely heavily on the results of such processes. New York Order, ¶¶ 53-60. To jumpstart that process, Ameritech suggests that, for purposes of this regional test, the

Commission use the performance measures adopted by the Public Utility Commission of Texas as modified in IURC Cause No. 41324.

As with the overall test, there is no need for this Commission to “reinvent the wheel” with respect to performance measures. Months of intensive effort were undertaken by the Texas Commission to develop these comprehensive measures of all meaningful aspects of the relationship between CLECs and Ameritech.

These performance measurements are the result of extensive negotiation, review, and evaluation by the Texas Commission, with substantial input from CLECs. Minor changes are required to the Texas performance measures to reflect the different technologies and operating support systems that operate in the Ameritech states as compared to Texas and also reflect the workshops and negotiations that have transpired in Cause No. 41324 and resulted in the Interim Stipulation and Joint Partial Settlement Agreement filed December 22, 1999 in that Cause. These changes are currently the subject of proceeding before the Ohio and Illinois Commissions as part of their merger proceedings. Therefore, this Commission should also use these performance measures as the basis for a regional evaluation of performance compliance, parity, and adequacy of Ameritech’s OSS in connection with its §271 Application.

These performance measurements address pre-ordering, ordering, provisioning, maintenance and repair, and billing of UNEs and resold services; interconnection and collocation; directory assistance and operator services; 911 services; long-term number portability; directory assistance database; access to poles, ducts, conduits, and rights of way; loading and testing of NXX codes; and fulfillment of Special Requests for new UNEs or interconnection arrangements. Data are collected in accordance with detailed business rules approved for each measure and are disaggregated on a product-specific basis in accordance with the applicable business rules.

#### Data Verification.

As recommended by the New York Order (at ¶ 442), and as discussed above, Ameritech recommends that its performance data be validated by the third party to ensure its accuracy. The third party should confirm that Ameritech properly implemented its business rules for each performance measure; validated the numerical results reported by Ameritech; verified that Ameritech is reporting its results in accordance with requirements; and made recommendations for improving processes and procedures.

#### **IV. CHECKLIST COMPLIANCE**

In addition to the independent third party test of OSS related business practices and performance measures, Ameritech will be required to demonstrate to the FCC that it has complied with the Competitive Checklist items set forth in §271(c). Ameritech intends to facilitate this Commission's review of Ameritech's Checklist compliance by filing with this state Commission, in advance of any filing at the FCC, the following: (1) a draft application under §271, or as it is also known, a prefiling statement; (2) a generic §271 interconnection agreement and (3) a proposed performance assurance plan to address any concerns regarding Checklist compliance backsliding.

##### **A. Draft §271 Application.**

First, the so-called "draft application" will consist of various affidavits that demonstrate compliance with each of the Competitive Checklist items. These affidavits would describe the precise product offerings, ordering and provisioning details and applicable performance measurements, for each Checklist item.

##### **B. Generic §271 Interconnection Agreement.**

Second, Ameritech believes that its existing interconnection agreements with scores of CLECs demonstrate full compliance with its Checklist obligations. However, additions to these agreements will be required to comply with recent FCC orders interpreting §§251 and 271. Therefore, Ameritech will offer a comprehensive generic interconnection agreement that it will be ready and able to execute with any CLEC, without further negotiation.

This comprehensive interconnection agreement will contain provisions which offer, Ameritech believes, all items required by the Checklist, in full compliance with these recent FCC Orders. For example, this comprehensive interconnection agreement thus will reflect the FCC's recent UNE Remand Order and Line Sharing Order. Ameritech's initial Agreement will incorporate existing state-specific prices, and will be updated as those prices are revised in relevant state pricing dockets. In addition, as required, Ameritech will offer new items at TELRIC prices, *e.g.*, conditioning of xDSL loops. In addition to offering such a model agreement to any electing CLEC without modification,

Ameritech offers it as an agreement from which other CLECs may pick and choose provisions pursuant to §252(i). This is further assurance that CLECs may obtain all items required by the Competitive Checklist without being required to renegotiate existing interconnection agreements.

### **C. Performance Assurance.**

Third, this filing would include a self-effectuating system to prevent backsliding. Ameritech's performance enforcement plan will include the key elements discussed by the FCC. (See New York Order at ¶¶431-443). In particular, Ameritech will agree to make self-executing performance payments in the event its performance does not meet standards. The performance payment will be the same, as a percentage of net revenues (36%), as the maximum level of payments the New York PSC required of Bell Atlantic and the FCC found sufficient. New York Order ¶ 436 and n. 1332.

In addition, SBC/Ameritech has implemented a second performance plan developed by the FCC during its review of the SBC/Ameritech merger. SBC/Ameritech Merger Order ¶¶ 377-380. Under the federal performance requirements, SBC/Ameritech must achieve stated goals in 20 areas of performance related to the advancement of local competition in each of its 13 states, or else pay up to \$1.125 billion to the United States Treasury over three years. *Id.* ¶ 378.

### **D. Review Process.**

It is recommended that rather than treating these filings as a "contested case" the Commission adopt a "notice and comment" approach with respect to these "draft application" filings. With regard to a collaborative process for Checklist compliance, Ameritech acknowledges that CLECs are its customers, and, as such, their needs should be fully considered. But this Commission also should temper that fact with the realization that many of these customers are also competitors - competitors with significant financial incentives to keep Ameritech out of their long distance marketplace. There is no reason to believe that certain competitors will, no matter what the process, ever agree that Ameritech has met the Checklist. Attempts to negotiate with competitors in an effort to reach agreement on Checklist compliance that would satisfy them would be futile and a waste of all parties' resources.

Thus, for the Checklist review process, Ameritech proposes that it will submit, in a timely fashion, evidence of full compliance with the Checklist. Other

parties would then have an opportunity to review and comment on Ameritech's submissions. Basic fairness dictates that, since Ameritech obviously has the burden of proving compliance, it should have the opportunity for a reply to those comments. Ameritech proposes a time frame to be used for the submission of comments and responses as follows: within 20 days of the submission Ameritech evidence of compliance, competitors would have the opportunity to respond. Ameritech's reply comments would be due 20 days thereafter.

These comment cycles would enable the Commission and interested CLECs to quickly provide their views with respect to the comprehensiveness and the adequacy of the pre-application draft filing. If needed, the Commission could direct appropriate staff to supervise technical conferences or other collaborative processes. The goal of these focused workshops would be to work out technical details associated with Checklist implementation. These procedures, similar to the independent OSS test, should be focused on a "military style," with the goal of identifying issues and forging solutions through full and open participation by all interested parties.

This informal process is more appropriate to the goal of the pre-application filing, which is to facilitate the identification and resolution of compliance concerns; and is the type of collaborative process the FCC has strongly encouraged the State Commissions to supervise.

## **V. A PHASED APPROACH TO §271 EVALUATION IS RECOMMENDED**

Ameritech recognizes how substantial an undertaking and investment in Commission and Staff time and resources will be required in order to complete a comprehensive analysis sufficient to permit the Commission to submit meaningful comments to the FCC upon Ameritech's application for long distance authority. In order to make the most efficient use of these resources, Ameritech recommends that a phased approach to this investigation be undertaken, with the following recommended listing of potential action items for each phase:

### **Phase I: Approve a regional independent third party test and appropriate performance measures**

- Endorse a regional test

- Establish a regional governance mechanism
- Set timeframe for decision regarding type of test and selection of third party test administrator
- Set timeframe for beginning test, about mid-year
- Set timeframe for concluding test, about year end
- Establish timeframe for interim test reports and final test report
- Endorse use of Texas performance measures as baseline for final performance review as modified and as proposed in Cause No. 41324

**Phase II. Review Checklist Compliance, including the “draft application,” generic 271 agreement and performance assurance plan**

- Set timeframe for initial Ameritech filing of affidavits demonstrating compliance
- Establish comment/reply cycle
- Determine which, if any, checklist items require further analysis through workshops or an industry collaborative process
- Establish process for Commission determination of compliance in event industry does not agree
- Issuance, as appropriate, of compliance report



### **Phase III: Review final test report and actual performance results**

- Establish timeframe for final report, about year end
- Determine how performance measures be considered to be satisfied based on actual results: *e.g.*, two to three months of performance
- Establish process for final Commission determination on performance, including possible comment/reply cycle on final report

These phases need not occur consecutively. For example, while the third party is beginning its evaluation of OSS functionality, the Commission could be making a determination on the performance measures against which the OSS are to be measured. In addition, an investigation of Checklist Compliance can be conducted concurrently with other phases.<sup>3</sup>

As previously discussed, throughout each phase, there should be open and full opportunity for all interested parties to comment and participate in the process. It is unlikely that contested case proceedings or hearings would be required at any stage of the process, since this is an investigation by the Commission for purposes of providing it with the necessary information to comment to the FCC on Ameritech's §271 application. Comments from interested parties throughout each phase, as well as participation in Commission workshops or other meetings to supervise the progress of the third party OSS and performance testing, will ensure that the Commission's investigation is thorough and addresses all the Commission's needs.

In addition to comments from interested parties, as necessary the Commission can use technical conferences, in which the Commission Staff, Ameritech and CLECs jointly meet to discuss and resolve potentially difficult issues, to most efficiently address issues in each phase. The Commission can also use its authority under I.C. 8-1-2-61 and I.C. 8-1-2-58, to conduct any required

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<sup>3</sup> Nothing in this process is intended to modify or otherwise reduce any obligation of Ameritech under any other relevant state or FCC merger order.

investigations. These investigatory powers would also permit this Commission to supervise the third party test on an interactive basis, with input from all interested parties. Only if these processes and investigations are unable to resolve issues to the satisfaction of the Commission would it become necessary to hold formal contested hearings as the final step in the §271 review process.

At most, it seems likely that hearings might be required only on the interpretation and assessment of the third party consultant's final report and the accumulated performance data gathered in Phase III. This would be the most appropriate time to have any formal proceedings, as the Commission will be able to build on the expertise of the consultant and the consultant's detailed familiarity with Ameritech's OSS and business relationship with CLECs. Rather than being forced to rely solely on the adversarial positions of the parties to develop an understanding of the issues, the Commission will be able to turn to the consultant for its unbiased assessment of any issues that may linger after completion of the test and issuance of a final report.

Accordingly, Ameritech recommends that the Commission hold a Prehearing Conference and issue an order that encompasses the entire §271 review process, covering the three phases outlined in the prior section. The Prehearing Conference Order should, if possible, set forth the expectations for both Ameritech and the interested parties regarding the timelines and process that the Commission intends to use in this investigation. To the extent possible, target dates for each phase and anticipated completion dates should be set forth, including a schedule for interim progress reports on each phase. In addition, the Commission should proceed with an investigation of the extent of competition within the state, as recommended in Section I.A.

The Commission should also contact the other Commissions in the Ameritech states as soon as possible to implement the regional third party test. The Commission should work with other Commissions to establish state staff leaders and membership, determine the type of test required and the process for selecting a third party tester, determine how any contractual issues will be resolved, and establish a regional test schedule. As appropriate, a regional governance process should be established. Ameritech will provide whatever assistance it can to facilitate its proposal, with full recognition that all substantive decisions remaining with the Commission.

## CONCLUSION

Ameritech seeks an open and efficient process. Ameritech believes that an open exchange of questions and issues between all parties will allow for the best possible outcome in the shortest possible time.